GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:156
ANSWERED ON:25.11.2016
RBI Panel for MSME Sector
Muddahanumegowda Shri S.P.;Sule Smt. Supriya Sadanand

Will the Minister of FINANCE be pleased to state:

(a) whether the Public Sector Banks (PSBs) have urged the Reserve Bank of India (RBI) to relax the credit rating parameters for Micro, Small and Medium Enterprises (MSMEs), if so, the details thereof; and

(b) whether RBI has set up an advisory panel to look into matter relating to institutional credit flow to MSMEs and if so, the details thereof and outcome of the discussions in this regard ?

Answer

FINANCE MINISTER

(a) & (b) : A Statement is laid on the Table of the House.

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STATEMENT REFERRED IN REPLY TO LOK SABHA STARRED QUESTION NO. * 156 FOR ANSWER ON 25TH NOVEMBER 2016 TABLED BY SMT. SUPRIYA SULE AND SHRI S.P. MUDDAHANUME GOWDA REGARDING RBI PANEL FOR MSME SECTOR

(a) No Madam. Reserve Bank of India (RBI) has not received a request from Public Sector Banks to relax the credit rating parameters for Micro, Small and Medium Enterprise (MSMEs).

(b) A Standing Advisory Committee (SAC) has been constituted by RBI with Deputy Governor as Chairman, officials of Ministries of Finance and MSME, Banks and Industry Associations as members to review the flow of credit to MSMEs. This, inter-alia, includes, assessment of constraints being experienced in accessing credit at reasonable terms, steps being taken to overcome them, etc.

Twenty meetings of the SAC have been held. These have resulted in half yearly reviews of flow of credit and convergence of all stakeholders to improve the MSME eco system. Action points emerging from the deliberations of the SAC are taken up with concerned agencies for implementation.

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